Another power rate increase sought

Friday, July 18, 2008 **By JEFF DEMOSS** Standard-Examiner staff jdemoss@standard.net

Rocky Mountain wants \$160 million hike combined

OGDEN -- Rocky Mountain Power asked state regulators Thursday for permission to raise its customers' electricity rates by an average of \$3.50 a month beginning in March 2009.

The new request comes as Utah's largest electric utility is awaiting word on a similar increase it asked for last December.

If approved in full, the two increases would amount to \$160 million, or an 11 percent increase. The average customer -- one using 770 kilowatt hours a month -- would see their monthly bill rise \$3.50 in August, and another \$3.50 in March.

Rocky Mountain Power spokesman Dave Eskelsen said the company is adding more than 20,000 new customers every year, and needs the additional money to pay for new transmission lines and other infrastructure.

Skyrocketing costs for fuel, as well as for metals and other building materials, have more than doubled the cost of building new substations, power lines, wind turbines, and virtually everything else needed to expand infrastructure, Eskelsen said.

"It's largely because of commodity costs," he said. "We feel we've done a good job controlling the costs we can control."

In addition to large numbers of new customers, he said existing customers are using more electricity.

"You have new growth and old growth, if you will, and that's requiring investment across our range of infrastructure."

In December, Rocky Mountain Power requested a \$160 million rate hike. The Utah Public Service Commission reduced the request to \$100 million but has yet to approve that amount.

The commission has until Aug. 7 to decide on that request, and has 240 days to review the new request.